

SPECIAL HANDLING

SUBJECT: MINUTES OF MEETING HELD AT LOCKHEED ON FEBRUARY 13, 1959  
SARV AND ADVANCED PROGRAMS

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The following personnel met on February 13, 1959 at the Lockheed, LMSD, Sunnyvale, California facility to review: 1) the revised G.E. estimate of cost to complete the SARV and Advanced Programs, and 2) the effect of implementing a previously agreed definition of these two programs on the apportionment of cost between them. This information had been presented in Palo Alto by General Electric the previous day (those attending the earlier meeting are noted with an asterisk).

Lockheed Aircraft CompanyGeneral Electric Company

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A summary of the cost information presented by G.E. in this meeting was shown as follows:

	<u>SARV</u>	<u>Advanced</u>	<u>Total</u>
Revised Estimated Price	\$5336.5*	5,070.7	10,407.2
Negotiated Price	4245.4	3,908.8	8,154.2
Variance	1091.1	1,161.9	2,253.0
Actual E&C** thru 1/25/59	3584.4	3,485.0	7,069.4
Funds Currently Authorized	3000.0	2,600.0	5,600.0
Difference (Authorization Required)	(584.4)	( 885.0)	(1,469.4)
Estimated Additional E&C during 2/59			630.6
Total Minimum Authorization Required (thru Feb)			7,700.0

\* Amount in thousands

\*\* Expenditures and commitments

At the conclusion of this meeting Lockheed agreed to furnish the following to General Electric not later than Friday, February 20, 1959:

1. Either 1) reaffirmation of the agreed definitions of these two programs, or 2) specific instructions providing for a reasonable redefinition.
2. Authorization for expenditure and commitment of funds for these two programs to cover at least the period through February 1959.
3. The Lockheed decision as to whether one Lockheed Purchase Order will be provided to General Electric to cover the performance of both programs.

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General Electric agreed to continue work during this period (ending February 20, 1959) based on the understanding that adequate dollar coverage will be provided by February 20, and in recognition of the need for Lockheed to review the proper allocation of these funds with the customer.

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MARKETING ADMINISTRATION

FEBRUARY 16, 1959

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